REMARKS

Claims 1-8, 10-14, 16-39 are pending. By this Response, claims 10, 24, 30 and 31 are amended, and claims 38 and 39 are canceled. Reconsideration and allowance based on the above amendments and following remarks are respectfully requested.

Allowed Claims

Claims 1-8, 12-14, 16-23, and 25-29, 32, and 34-36 have been allowed. Claims 38 and 39 contain allowable subject matter. Applicants note that claims 30 and 31 have been amended to include the features of the respective dependent claims 38 and 39.

Prior Art Rejection

Claims 10, 11, 24, 30-31, 33 and 37 have been rejected under 35 U.S.C. 103(e) in view of Sakashita (U.S. Patent No. 6,661,400). This rejection is respectfully traversed.

Additionally, applicants note that claims 30 and 31 have been amended to include the allowed features of their respective dependent claims 38 and 39. Therefore, claims 30 and 31 are now in condition for allowance and the rejections with respect to these claims are moot.

Regarding independent claims 10 and 24, Applicants have amended them such that they refer to the delaying of the first converted image data directly after being generated as the first converted image data. Specifically, claim 10 now recites, inter alia, a delay unit for delaying the first converted image data received directly from the data conversation unit for an interval corresponding to one frame and outputting a second converted image to encoding corresponding to a previous frame. Claim 24 now recites, inter alia, delaying, directly after being generated, the first converted image data for an

Docket No : 1190-0581P

Application No. 10/760,461 Reply to Final Office Action filed July 16, 2007 After Final Office Action of August 11, 2007

interval corresponding to one frame and outputting a second converted image data to a previous frame.

In the Office Action, the Examiner implies that Sakashita does not teach directly delaying data after being converted in the alleged converter. The Examiner states at page 4 in the Office Action "Applicants claims do not require the delay circuit directly delay the first converted data, as long as the converted data is delayed in Sakashita will meet the claim." As seen in Fig. 1 of Sakashita, the alleged conversion unit encoder 204 directly provides its output to the arithmetic operation unit 205 and not to a delay unit. Since the output of the encoder 204 is not directly delayed, Sakashita's teachings cannot read upon Applicants' claimed features.

In view of the above, Applicants respectfully submit that Sakashita fails to teach each and every feature of independent claims 10 and 24 as required. Accordingly, reconsideration and withdrawal of the rejections are respectfully requested.

Conclusion

For the at least the reasons above it is respectfully submitted the claims 1-8, 10-14, and 16-39 are distinguishable over the cited art. Reconsideration and allowance of the above application is earnestly solicited.

Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact D. Richard Anderson Reg. No. 40,439 at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit

Account No. 02-2448 for any additional fees required under 37.C.F.R. §§1.16 or 1.14; particularly, extension of time fees.

Dated: July 16, 2007

Respectfully submitted,

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Docket No.: 1190-0581P

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